

## Message Text

UNCLASSIFIED

PAGE 01 SAO PA 00166 241909Z  
ACTION XMB-04

INFO OCT-01 ARA-10 ISO-00 EB-08 FRB-01 OMB-01 TRSE-00 /025 W  
-----250034Z 026100 /63

R 211730Z JAN 77  
FM AMCONSUL SAO PAULO  
TO SECSTATE WASHDC 7442  
INFO AMEMBASSY BRASILIA  
AMCONSUL RIO DE JANEIRO

UNCLAS SAO PAULO 0166

EO 11652: NA  
TAGS: EFIN BR  
SUBJ: EXIMBANK GUARANTEE D-9899/G-246-3  
SERVFORMS, SA, SAO PAULO

REF: STATE 7912

1. ALONG WITH VELLO SAARVA AND MARK BALCKMAN OF CONTINENTAL BANK INTERNATIONAL A MEETING WAS HELD ON JANUARY 18 WITH NELSON PICCOLO OF SERVFORMS, S.A. AT THIS MEETING, PICCOLO SAID THAT HE WOULD PAY THE ACCRUED INTEREST (ABOUT US\$21,000) WITHIN TEN DAYS AND WOULD BE AGREEABLE TO MAKE THE FIRST INSTALLMENT OF US\$58,500 ON 9/17/77, AS SUGGESTED IN REFTEL. VELLO SAARVA IS PRESENTLY DRAFTING, ON HIS OWN INITIATIVE, A STATEMENT OUTLINING THE SPECIFIC DETAILS FOR APPROVAL BY PICCOLO AND CONTINENTAL BANK.

2. MEETING WITH PICCOLO WAS BEIRE. SAARVA BROACHED THE IDEA OF IMMEDIATE PAYMENT OF ACCRUED INTEREST FOR TWO REASONS: 1) INTEREST PAYMENTS ON LOANS ARE NEVER DEFERRED AND 2) SAARVA REASONED IF PICCOLO UNABLE TO PAY APPROXIMATELY US\$20,000 IMMEDIATELY, HE PROBABLY WOULDN'T BE ABLE TO PAY US\$58,500 PLUS ACCRUED INTEREST ON 3/17/77.

3. PICCOLO AGREED WITH STATEMENT MADE BY SAARVA. HE ASLO INDICATED THAT HE WOULD BE ABLE TO COMPLY WITH THE FOLLOWING TERMS:  
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A) SERVFORMS TO PAY ALL ACCRUED INTEREST WITHIN 10 DAYS ON US\$585,000  
INTEREST ACCRUES FROM 3/25/76 AT 8.25 PCNT PER ANNUM.  
B) SAME AS SUB-PARAGRAPH B REFTEL.  
C) SAME AS SUB-PARAGRAPH C REFTEL.  
D) SAME AS SUB-PARAGRAPH D REFTEL.

4. PICCOLO ASKED FOR NEW PROPOSAL IN WRITING. SAARVA AGREED TO

DRAFT NEW PROPOSAL AND FURNISH TO PICCOLO.

5. SAARVA HAS ASKED FOR NAME OF EXIM BANK'S BRAZILIAN COUNSEL IN  
THIS MATTER SO THAT THE PROCESS CAN BE SPEEDED ALONG.  
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## Message Attributes

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**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CREDIT GUARANTEES, BANK SERVICES  
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**Copy:** SINGLE  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
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**Disposition Approved on Date:**  
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**Enclosure:** n/a  
**Executive Order:** N/A  
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**Review Markings:**  
Margaret P. Grafeld  
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**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009